THEMBISILE MUNICIPALITY

FINANCIAL STATEMENTS

30 JUNE 2005

INDEX

1 GENERAL INFORMATION

2 FORWORD

3 TREASURER'S REPORT

4 ACCOUNTING POLICIES

5 BALANCE SHEET

6 INCOME STATEMENT

7 CASH FLOW STATEMENT

8 NOTES TO THE FINANCIAL STATEMENTS

9 APPENDICES:

- A Statutory funds, Trust funds and Reserves
- B External loans and internal advances
- C Analysis of fixed assets
- D Analysis of operating income and expenditure for the year ended 30 June 2005
- E Detailed income statement for the year ended 30 June 2005
- F Statistical Information

GENERAL INFORMATION

MEMBERS OF THE EXECUTIVE COMMITTEE

Councillor	V V Nkosi	Mayor
Councillor	T J C Tshabalala	
Councillor	V G Nkabinde	
Councillor	L J Dikgale	
Councillor	A T L Mohapi	
Councillor	N E Makwakwa	
Councillor	P D Ntuli	
Councillor	M G Komane	

GRADING OF LOCAL AUTHORITY

Grade I

AUDITORS

The Auditor-General

BANKERS

First National Bank, Kwaggafontein, Mpumalanga

REGISTERED OFFICE

Municipal Building, Wanderers Avenue, Middelburg, Mpumalanga

ACTING MUNICIPAL MANAGER

Mr A M Langa

MANAGER: FINANCE

Mr R T O Dipone

FOREWORD

The financial year ended 30 June 2005 can be seen, as a successful period for the Council as well as the community.

In order to adhere to the requirements of the integrated development planning process, required in terms of the Local Government Transitional Act, Second Amendment Act of 1996 (Act 97 of 1996). Consultants were appointed to compile the Integrated Development Plan which was reviewed and adopted by council. Such documents assisted the Council in identifying the needs of the community and budgeted accordingly.

The results of the 2003/04 financial period confirm another prosperous year as the year concluded with a nett surplus being achieved.

Finally, I wish to express my thanks to my fellow Councillors, the Executive Committee, Municipal Manager and his staff for their support, co-operation and hard work during the past financial year. It is with such loyalty and dedication that the new year can be met with confidence.

MR V V NKOSI
MAYOR

MANAGER: FINANCE REPORT

The 2004/2005 financial year is the fourth financial year for the municipality of Thembisile. The former local councils of Mkobola and Kwamhlanga were amalgamated as determined by the Demarcation Board.

The amalgamation process consisted with transferring all the assets and liabilities of the two former local council into the books of account of Thembisile Municipality. A common billing system and accounting system were also established

1 OPERATIONAL RESULTS

Details of operating results per department, classification and object of expenditure are included in appendices D and E.

	Actual 2003/04	Actual 2004/05	Variance 2003/04 & 2004/05	Budget 2004/05	Variance Actual/ Budget 2004/05
	R	R	%	R	%
INCOME					
Opening surplus	7 912 606	6 618 364	(16.36)	0	(16.36)
Operating income for the year	19 323 886	36 356 264	88.14	47 485 000	(30.6)
Transfers from previous year	686 375	7 604 068	1007.86		
Closing deficit	0	0			
TOTAL	**27 922 866**	**50 578 696**		**47 485 000**	**6.6**
EXPENDITURE					
Opening deficit	0	0			
Operating expenditure for the year	21 304 502	28 048 498	31.66	47 485 000	69
Transfers from previous year	0	0			
Closing surplus	6 618 364	22 530 198	240.42		
TOTAL	**27 922 866**	**50 578 696**		**47 485 000**	**6.5**

The increased surplus of 240 % is as a result of increased actual income of R36 356 264 compared to the budgeted income of R47 485 000.

1.1 COMMUNITY SERVICES

	Actual 2003/04	Actual 2004/05	Variance 2003/04 & 2004/05	Budget 2004/05	Variance Actual/ Budget 2004/05
	R	R	%	R	%
Income	18 371 834	26 773 963	45.73	29216584	91.64
Expenditure	16 260 141	25 603 151	57.46	18311058	139.82
Surplus (Deficit)	2 111 693	1 170 812	(44.56)	10905526	10.74
Surplus (Deficit) as percentage of total income	11.01	4.04		37.33	

1.2 SUBSIDIZED SERVICES

	Actual 2003/04	Actual 2004/05	Variance 2003/04 & 2004/05	Budget 2004/05	Variance Actual/ Budget 2004/05
	R	R	%	R	%
Income	20 560	30 874	50.17	28399	108.72
Expenditure	0	264 558		213055	124.17
Surplus (Deficit)	20 560	(233 684)	(1 236.6)	(184656)	126.55
Surplus (Deficit) as percentage of total income	1	(7.61)		(6.50)	

1.3 ECONOMICAL SERVICES

	Actual 2003/04	Actual 2004/05	Variance 2003/04 & 2004/05	Budget 2004/05	Variance Actual/ Budget 2004/05
	R	R	%	R	%
Income	257 041	1 018 645	296.29	1149482	88.62
Expenditure	1 459 772	1 357 008	(7.04)	1193429	113.71
Surplus (Deficit)	(1 202 731)	(338 363)	71.86	(43947)	769.93
Surplus (Deficit) as percentage of total income	(4.71)	(0.33)		(0.04)	

1.4 TRADING SERVICES

	Actual 2003/04	Actual 2004/05	Variance 2003/04& 2004/05	Budget 2004/05	Variance Actual/ Budget 2004/05
	R	R	%	R	%
Income	674 451	8 532 781	1 165.14	9536573	89.47
Expenditure	3 584 640	823 781	(77.1)	191128	431.01
Surplus (Deficit)	(2 910 189)	7 709 000	3 648 .96	9345445	82.49
Surplus (Deficit) as percentage of total income	(4.31)	0.90		98	

2 CAPITAL EXPENDITURE AND FINANCING

	Actual 2004/05 R	Source of Finance 2004/05
Infrastructure	26 841 068	MIG Funding
Equipment	1 396 727	MSIG & Own funding
Infrastructure	18 810 163	NDM funding
Total	**47 047 957**	

3 EXTERNAL LOANS, INVESTMENTS AND LIQUIDITY

No loans were obtained for the 2003/04 financial year to finance capital expenses.

Investments amounted to R18 367 768 on 30 June 2005 and cash amounted to R2 603 782. (2003/04:- R8 559 516 and R3 635 913 respectively).

4 FUNDS

On 30 June 2005 the Capital Development Fund amounted to R1 045 098 (2003/04:- R683 426)

On 30 June 2005 provisions amounted to R4 643 295. (2003/04:- R3 727 704)

On 30 June 2003, Housing Development Fund amounted to R1 737 993. (2003/04:- R1 477 136)

5 ACKNOWLEDGMENT

I thank the Municipal Manager and Head of Departments for their support during the past financial year. A special word of thanks to my staff for their loyalty and support during the year under review.

A M LANGA
MANAGER: FINANCE

ACCOUNTING POLICY

1 BASIS OF PRESENTATION

1.1 These financial statements have been prepared so as to conform to standards laid down by the Institute of Municipal Finance Officers in its Code of Practice for the Accountant of Local Governments (1992) and the Report on the Standardisation of the Financial Statements of Local Governments (4th edition, as amended).

1.2 The financial statements are prepared on the historical cost basis, adjusted for capital expenditure, as more fully detailed in Note 2 (two). The accounting policies are consistent with those applied in the previous year, except if otherwise indicated.

1.3 The financial statements are prepared on the accrual principle:

- Income is accrued when available to finance operations. Certain direct revenue is accrued when received.
- Expenditure is accrued in the year it is incurred.

2 FIXED ASSETS

2.1 Fixed assets are stated:

At historical cost, or at valuation (based on the market price at date of acquisition), where assets have been obtained by grant or donation.

While they are in existence and fit for use, except in the case of bulk assets, which are written off at the end of the estimated life as determined by the Treasurer.

2.2 **Depreciation**

The balance shown against the heading *"Loans redeemed and other capital receipts"* in the Notes to be balance sheet is tantamount to a provision for depreciation, however, certain structural differences do exist. By way of these *"provisions"* assets are written down over their estimated life span. Apart from advances from various Council funds, assets may also be acquired through –

- appropriations from income, where the full cost of the asset forms an immediate and direct charge against operating income and therefore it is unnecessary to make any further provision for depreciation;
- grant or donation, where the amount that representing the value of such grant or donation is immediately credited to the *"Loans redeemed and other capital receipts"* account.

2.2 Capital assets are financed from different sources, including external loans, operational revenue and internal advance payments. These loans and advances are repaid within the estimated life span of the assets, which are financed from such loans and advance payments. Interest at the rate that prevails at the time of granting the advance payment is debited to the relevant service.

3 **FUNDS AND RESERVES**

Capital Development Fund:

The Capital Development Fund Ordinance, No. 9 of 1978, requires a minimum contribution of 1,0% of the defined income of a Local Authority for the immediately preceding financial year.

4 **INVESTMENTS**

Investments are reflected against the lowest cost or market value if there is a continual decline in value. Investments are being done in accordance with the policy of the Council.

5 AMALGAMATIONS

The local councils of Kwamhlanga and Mkobola amalgamated to form the municipality of Thembisile, as determined by the Demarcation Board.

THEMBISILE MUNICIPALITY

BALANCE SHEET ON 30 JUNE 2005

CAPITAL EMPLOYED	Notes	June 2005	June 2004
FUNDS AND RESERVES		1,045,098	683,426
Accumulated funds	1	1,045,098	683,426
Reserves	2	-	-
UNAPPROPRIATED SURPLUS		14,303,851	6,618,364
		15,348,949	7,301,790
TRUST FUNDS	3	1,737,993	1,477,136
LONGTERM LIABILITIES	4	-	-
		17,086,941	8,778,926
EMPLOYMENT OF CAPITAL			
FIXED ASSETS	5	-	-
INVESTMENTS	6	18,367,768	8,569,516
DEFERRED CHARGES	10	-	-
LONGTERM DEBTORS	7	-	-
NETT CURRENT ASSETS (LIABILITIES)		(1,280,827)	219,410
CURRENT ASSETS		3,205,755	5,510,048
Material	8	-	-
Bank	22	(1,030,130)	3,635,913
Debtors	9	4,235,885	1,874,136
CURRENT LIABILITIES		4,486,582	5,290,638
Provisions	11	563,856	336,840
Creditors	12	3,922,726	4,953,798
Accumulated Shortage			
Bank Overdraft	22		
		17,086,941	8,778,926

Signed:

AM Langa
Acting Municipal Manager

AL Stander
NDM Chief Accountant

DATE: .....

Income Statement for the year ended 30 June 2005

2003/2004 Actual Income	2003/2004 Actual Expenditure	2003/2004 Actual Surplus (Deficit)	SERVICE	2004/2005 Actual Income	2004/2005 Actual Expenditure	2004/2005 Actual Surplus (Deficit)	2004/2005 Budget Surplus (Deficit)
18,649,435	**17,719,863**	**929,573**	**RATES AND GENERAL SERVICES**	**27,823,483**	**27,224,717**	**598,766**	-
18,371,834	16,260,141	2,111,693	Community Services	26,773,963	25,603,151	1,170,812	-
20,560	-	20,560	Subsidised Services	30,874	264,558	(233,684)	-
257,041	1,459,722	(1,202,680)	Economical Services	1,018,645	1,357,008	(338,363)	-
-	-	-	**HOUSING SERVICES**	-	-	-	-
674,451	**3,584,640**	**(2,910,189)**	**TRADING SERVICES**	**8,532,781**	**823,781**	**7,709,000**	-
			Electricity	427,285	173,251	254,034	
674,451	3,584,640	(2,910,189)	Water	8,105,496	650,530	7,454,966	-
19,323,886	**21,304,502**	**(1,980,616)**	**TOTAL**	**36,356,264**	**28,048,498**	**8,307,766**	-
		686,375	Prior year adjustment				
			Appropriation for the year (Refer to Note 17)			(622,279)	
		(1,294,242)	Nett Surplus / (Deficit) for the year			7,685,487	
		7,912,606	Unappropriated Surplus / (Deficit) at the beginning of the year			6,618,364	
		6,618,364	Unappropriated Surplus / (Deficit) at the end of the year			**14,303,851**	

Cash Flow Statement for the year ended 30 June 2005

		2004/2005	2003/2004
CASH RETAINED FROM OPERATIONAL ACTIVITIES			
Cash generated by operations	18	14,255,128	(730,561)
Investment income	16	727,335	921,517
(Increase) / decrease in operating capital	19	(3,392,822)	(832,653)
		11,589,641	(641,697)
Less: External interest paid	16	-	-
Cash available out of operations		11,589,641	(641,697)
Cash Contributions		40,600,526	18,129,643
CASH UTILISED IN INVESTEMENT ACTIVITIES			
Investment in fixed assets	C	(47,047,957)	(19,223,176)
NETT CASH FLOW		**5,142,209**	**(1,735,231)**
CASH EFFECTS OF FINANCING ACTIVITIES			
Increase / (decrease) in longterm loans	20	-	-
(Increase) / decrease in cash investments	21	(9,808,252)	(405,307)
(Increase) / decrease in cash	22	4,666,043	2,140,538
NETT CASH (GENERATED) / UTILISED		**(5,142,209)**	**1,735,231**

NOTES TO THE FINANCIAL STATEMENTS ON 30 JUNE 2005

	June 2005	June 2004
	R	R
1. STATUTORY FUNDS		
Capital Development Fund		
Land trust fund	1,045,098	683,426
	1,045,098	683,426
2. RESERVES		
Maintenance Reserve Fund		
	-	-
	-	-
3. TRUST FUNDS		
Housing development fund	1,737,993	1,477,136
	1,737,993	1,477,136
4. LONGTERM LIABILITIES		
Local Registered Stocks		
Annuity Loans		
Government Loans	-	-
	-	-
	-	-

(Refer to annexure B for more detail regarding longterm liabilities)

GOVERNMENT LOANS
None

LOCAL REGISTERED STOCKS
None

ANNUITY LOANS
None

		Jun 2005	Jun 2004
5	**FIXED ASSETS**		
	Fixed assets at the beginning of the year	55,650,135	36,640,091
	Fixed assets bought or received during the year	47,047,957	19,223,176
	Less: Assets written off, transferred or sold during the year	-	213,132
	Total Fixed Assets	102,698,092	55,650,135
	Less: Loans redeemed and other capital income	102,698,092	55,650,135
	Nett Fixed Assets	-	-
	(Refer to annexure C for additional information)		
6	**INVESTMENTS**		
	Balance brought forward	8,559,516	8,154,209
	Investments made	9,808,252	425,017
	Investments Realised	-	(19,710)
		18,367,768	8,559,516
	Average rate of return on investments		
7	**LONG TERM DEBTORS**		
	Vehicle loans	-	-
	Firearm Loans	-	-
		-	-
8	**MATERIAL**		
	Material	-	-
9	**DEBTORS**		
	Consumer debtors	7,038,010	4,614,291
	Less: Provision for bad debts	(4,079,439)	(3,390,864)
	Sundry	1,277,314	650,708
		4,235,885	1,874,135

		Jun 2005	Jun 2004
10	**DEFERRED CHARGES**		
	Development costs	-	-
	Proceeds:		
	Sale of erven	-	-
	Interest	-	-
	Township development cost	-	-
		-	-
11	**PROVISIONS**		
	Leave owned	313,856	185,497
	Loss in rental	-	-
	Bad Debt		
	Audit fees	250,000	151,343
		563,856	**336,840**
12	**CREDITORS**		
	Sundry creditors	3,147,711	4,179,076
	Deposits	775,015	774,723
	Consumers	10,612	10,320
	Other	764,403	764,403
		3,922,726	**4,953,798**
13	**PROPERTY RATES**		
	No property rates are charged	-	-

		Jun 2005	Jun 2004
14	**COUNCILLORS REMUNERATION**		
	Mayor's allowance	-	-
	Deputy Mayor's allowance	-	-
	Management committee allowance	-	-
	Councillor's allowance	3,403,350	4,411,926
	Pension fund contribution	-	-
		3,403,350	**4,411,926**
15	**AUDIT COSTS**		
	Audit fees / provision	-	-
16	**FINANCING TRANSACTIONS**		
	External interest		
	* Interest earned	**727,335**	**921,517**
	* Interest paid	-	-
	Capital cost debited against the operating account		
	Interest	-	-
	* External	-	-
	* Internal	-	-
	Redemption		
	* External	-	-
	* Internal	-	-
		727,335	**921,517**
17	**APPROPRIATION**		
	Appropriation account		
	Unappropriated surplus (deficit) at the beginning of the year	6,618,364	7,912,606
	Operating gain (Deficit) for the year	8,307,766	(1,980,616)
	Appropriation for the year	(622,279)	686,375
	Amendments previous years	-	-
	Unappropriated surplus at the end of the year	**14,303,851**	**6,618,364**
	Operating account:		
	Fixed assets	6,447,432	1,093,533
	Contributions to:		
	Capital development fund	361,672	77,672
	Other funds	260,857	93,254
		7,069,960	**1,264,458**

17. OCT. 2007 10:15 THEMBISILE MUNICIPA NO. 842 P. 19

		Jun 2005	Jun 2004
18	**CASH GENERATED BY OPERATIONS**		
	Operating gain (deficit) for the year	8,307,766	(1,980,616)
	Amendments i.r.o. previous years operating transactions	(622,279)	686,375
	Appropriations debited against income	7,069,960	1,635,890
	*Capital development fund	361,672	204,840
	*Other funds	260,857	337,517
	*Fixed assets	6,447,432	1,093,533
	Capital costs	-	-
	Interest paid:		
	* To internal funds	-	-
	* To external funds	-	-
	Redemption of		
	*Internal advances		
	*External loans		
	Investment income (operating)	(727,335)	(921,517)
	Grants and subsidies from State and Public	-	-
	Non-operating income out of funds		
	Non-operating expenditure charged against		
	* Accrued funds		
	* Trust funds		
	* Reserves		
	* Provisions		
		227,016	(150,693)
		14,255,128	**(730,561)**

17. OCT. 2007 10:15 THEMBISILE MUNICIPA NO. 842 P. 20

		Jun 2005	Jun 2004
19	**INCREASE / (DECREASE) IN OPERATING CAPITAL**		
	(Increase)decrease in material	-	-
	(Increase)(decrease in debtors	(2,361,749)	(708,112)
	Increase (decrease) in creditors	(1,031,072)	(124,542)
		(3,392,822)	(832,654)
20	**INCREASE / (DECREASE) IN LONG TERM LOANS**		
	Loans taken up	-	-
	Loans repaid	-	-
		-	-
21	**(INCREASE) / DECREASE IN CASH INVESTMENTS**		
	Investments made	18,367,768	425,017
	Investments realised	8,559,516	19,710
		(9,808,252)	(405,307)
22	**(INCREASE) / DECREASE OF CASH ON HAND**		
	Cash balance: Opening Balance	3,635,913	5,776,451
	Less: Cash balance: Closing Balance	1,030,130	(3,635,913)
		4,666,043	2,140,538

23 **RETIREMENT BENEFITS**

Only the Town Clerk is a member of the Municipal Gratuity Fund.
No other councillor or employee are a member of a pension fund.

24 **CAPITAL OBLIGATIONS**

None

17. OCT. 2007 10:16 THEMBISILE MUNICIPA NO. 842 P. 21

		Jun 2005	Jun 2004
25	**CONDITIONAL LIABILITIES AND CONTRACTUALLY OBLIGATIONS**		
	Guarantees given in respect of housing loans to financial institutions to employees	-	-
	Provision for leavepay	-	-
		-	-
	Provision for leavepay is not in accordance with managements assessment		
26	**CAPITAL DEVELOPMENT FUND**		
	Outstanding advances to borrowing accounts:		
	Accrued fund		
	Less: External Investments	1,045,098	683,426
	Outstanding Advances	1,045,098	683,426
	(Refer to annexure B for further detail)	-	-

17. OCT. 2007 10:16 THEMBISILE MUNICIPA NO. 842 P. 22

ANNEXURES TO THE FINANCIAL STATEMENTS

Annexure A: Accrued funds, reserves, trust funds and provisions

	BALANCE 30/06/2004	CONTRIBUTIONS DURING THE YEAR	INTEREST ON INVESTMENTS	OTHER INCOME	EXPENDITURE DURING THE YEAR	BALANCE 30/06/2005
ACCUMMULATED FUNDS						
Capital Development Fund						
Land trust fund	683,426	361,672	-	-	-	1,045,098
	-	-	-	-	-	-
	683,426	**361,672**	**-**	**-**	**-**	**1,045,098**
TRUST FUNDS						
Endownment Fund						
Community Facilities	-	-	-	-	-	-
Housing Development Fund	-	-	-	-	-	-
Grants	1,477,136	260,857	-	-	-	1,737,993
	-	-	-	-	-	-
	1,477,136	**260,857**	**-**	**-**	**-**	**1,737,993**
RESERVES						
Capital Reserve Fund						
Renewals	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
PROVISIONS						
Provision for bad debts						
Leave payments	3,390,864	688,575			-	4,079,439
Audit fees	185,497	128,359			-	313,856
	151,343	98,657			-	250,000
	3,727,704	**915,591**	**-**	**-**	**-**	**4,643,295**

ANNEXURES TO THE FINANCIAL STATEMENTS

Annexure A: Accrued funds, reserves, trust funds and provisions

	BALANCE 30/06/2004	CONTRIBUTIONS DURING THE YEAR	INTEREST ON INVESTMENTS	OTHER INCOME	EXPENDITURE DURING THE YEAR	BALANCE 30/06/2005
ACCUMMULATED FUNDS						
Capital Development Fund	683,426	361,672	-	-	-	1,045,098
Land trust fund	-	-	-	-	-	-
	683,426	**361,672**	**-**	**-**	**-**	**1,045,098**
TRUST FUNDS						
Endownment Fund	-	-	-	-	-	-
Community Facilities	-	-	-	-	-	-
Housing Development Fund	1,477,136	260,857	-	-	-	1,737,993
Grants	-	-	-	-	-	-
	1,477,136	**260,857**	**-**	**-**	**-**	**1,737,993**
RESERVES						
Capital Reserve Fund	-	-	-	-	-	-
Renewals	-	-	-	-	-	-
	-	**-**	**-**	**-**	**-**	**-**
PROVISIONS						
Provision for bad debts	3,390,864	688,575			-	4,079,439
Leave payments	185,497	128,359			-	313,856
Audit fees	151,343	98,657			-	250,000
	3,727,704	**915,591**	**-**	**-**	**-**	**4,643,295**

ANNEXURE B: EXTERNAL LOANS AND INTERNAL ADVANCES

EXTERNAL LOANS	BALANCE 30/06/2004	RECEIVED DURING YEAR	PAYMENTS DURING YEAR	BALANCE 30/06/2005
Local Registered Stocks				
Issued / Loan no. / Redeemable	-	-	-	-
	-	-	-	-
Annuity Loans				
Government Loans	-	-	-	-
	-	-	-	-
	-	-	-	-

INTERNAL ADVANCES TO BORROWING SERVICES	BALANCE 30/06/2004	RECEIVED DURING YEAR	PAYMENTS DURING YEAR	BALANCE 30/06/2005
Capital Development Fund	-	-	-	-
Land Trust Fund	-	-	-	-
	-	-	-	-

17. OCT. 2007 10:16 THEMBISILE MUNICIPA NO. 842 P. 25

ANNEXURE C: ANALYSIS OF FIXED ASSETS

EXPENDITURE 2003/2004	SERVICE	BUDGET 2004/05	BALANCE ON 30/06/2004	EXPENDITURE 2004/05	DURING YEAR WRITTEN OFF, TRANSFERRED OR DISPOSED	BALANCE ON 30/06/2005
6,443,939	**RATES AND GENERAL SERVICE**	-	20,148,360	21,739,824	-	41,888,183
827,362	**Community Services**	-	9,015,515	20,206,890	-	29,222,405
681,992	Council General		1,921,396	1,396,727	-	3,318,123
0	Public works		2,490,698	15,410,163	-	17,900,862
145,370	Street Lights		4,603,421	3,400,000	-	8,003,421
5,616,577	**Subsidised Services**	-	11,132,845	1,532,934	-	12,665,778
5,616,577	Municipal Buildings		11,132,845	1,532,934	-	12,665,778
-	**Economical Services**	-	-	-	-	-
-	Vacuum Tank		-	-	-	-
-	**HOUSING SERVICES**	-	-	-	-	-
-	Housing Sub Economic		-	-	-	-
12,779,237	**TRADING SERVICES**	-	35,501,775	25,308,134	-	60,809,909
-	Electricity		-	-	-	-
12,779,237	Water		35,501,775	25,308,134	-	60,809,909
19,223,176	**TOTAL FIXED ASSETS**	-	55,650,135	47,047,957	-	102,698,092
19,223,176	**LESS: LOANS REDEEMED AND OTHER CAPITAL RECEIPTS**		55,650,135	47,047,957	-	102,698,092
-	Loans Redeemed		-	-	-	-
-	Housing Loans Redeemed		-	-	-	-
1,093,533	Contribution from Income		2,678,519	6,447,432	-	9,125,951
12,769,000	Contribution from donations		41,923,952	7,600,027	-	49,523,979
5,000,668	Contribution from Mpumalanga Provincial Government		5,496,298	9,296,641	-	14,792,939
359,974	Contribution from Community Based Public Works Programme		5,764,497	23,703,858	-	29,468,355
-	**NETT FIXED ASSETS**		-	-	-	-

17. OCT. 2007 10:17 THEMBISILE MUNICIPA NO. 842 P. 26

ANNEXURE D: ANALYSIS OF OPERATING INCOME AND EXPENDITURE

ACTUAL 30/06/2004		ACTUAL 30/06/2005	BUDGET 2004/2005
	REVENUE		
-	Government and Provincial	-	-
16,942,383	Grants and Subsidies	34,443,687	73,505,367
-	Revenue from Rates	-	-
1,209,761	Revenue from Tariffs, Service Levies etc.	1,023,376	649,000
921,517	Interest Earned	727,335	630,000
88,604	Sundry Income	39,044	28,376
161,622	Rentals	122,822	167,194
19,323,886		**36,356,264**	**74,979,937**
	EXPENDITURE		
11,755,021	Salaries and Subsidies	13,262,506	19,923,776
6,174,711	General Expenditure	10,530,133	28,510,498
995,594	Repairs and Maintenance	1,170,594	3,608,000
-	Capital Costs	-	-
1,092,299	Contribution to Fixed Assets	2,221,156	61,118,445
1,286,878	Contribution to provisions	864,109	2,076,327
21,304,502	Gross Expenditure	**28,048,498**	**115,237,046**
	Less: Amounts Charged Out		
(1,980,616)	**NETT EXPENDITURE**	**8,307,766**	**(40,257,109)**

17. OCT. 2007 10:17 THEMBISILE MUNICIPA NO. 842 P. 27

ANNEXURE E: DETAILED INCOME STATEMENT

2003/04 ACTUAL INCOME	2003/04 ACTUAL EXPENDITURE	2003/04 ACTUAL SURPLUS (DEFICIT)	SERVICE	2004/05 ACTUAL INCOME	2004/05 ACTUAL EXPENDITURE	2004/05 ACTUAL SURPLUS (DEFICIT)	2004/05 BUDGET SURPLUS (DEFICIT)
18,649,435	17,719,863	929,573	**RATES AND GENERAL SERVICES**	27,623,483	27,224,717	598,766	(39,364,226)
18,371,834	16,260,141	2,111,693	**Community Services**	26,773,963	25,603,151	1,170,812	(35,107,680)
18,370,824	13,885,299	4,485,525	Councils General	24,547,433	12,003,782	12,543,651	(1,078,560)
-	730,957	(730,957)	Municipal Manager	-	581,466	(581,466)	(832,020)
1,010	474,079	(473,069)	Public Works	4,706	5,129,715	(5,125,008)	(15,205,712)
-	1,169,806	(1,169,806)	Treasury	9,733	1,559,054	(1,549,320)	(5,477,493)
			Traffic	2,212,091	6,329,134	(4,117,044)	(12,513,895)
20,560	-	20,560	**Subsidised Services**	30,874	264,558	(233,684)	(304,500)
20,560	-	20,560	Municipal Buildings	30,874	264,558	(233,684)	(304,500)
257,041	1,459,722	(1,202,680)	**Economical Services**	1,018,645	1,357,008	(338,363)	(3,952,046)
-	-		Sewer	60,433	-	60,433	-
257,041	1,459,722	(1,202,680)	Cleansing	958,212	1,357,008	(398,795)	(3,952,046)
-	-	-	**HOUSING SERVICES**	-	-	-	-
-	-	-	Old Age Housing	-	-	-	
674,451	3,584,640	(2,910,189)	**TRADING SERVICES**	8,532,781	823,781	7,709,000	(892,883)
-	-	-	Electricity	427,285	173,251	254,034	-
674,451	3,584,640	(2,910,189)	Water	8,105,496	650,530	7,454,966	(892,883)
19,323,886	21,304,502	(1,980,616)	**TOTAL**	36,356,264	28,048,498	8,307,766	(40,257,109)
		686,375	Appropriation For the Year (refer note 17)			(622,279)	
		(1,294,242)	Net surplus/ (deficit for the year			7,685,487	
		7,912,606	Unappropriated Surplus/(Deficit) at the beginning of the year			6,618,364	
		6,618,364	**Accumulated surplus / (deficit) end of the year**			14,303,851	

17. OCT. 2007 10:17 THEMBISILE MUNICIPA NO. 842 P. 28

Thembisile Municipality

ANNEXURE F : STATISTICAL INFORMATION

a)	**General statistics**		**2004/05**
i)	Population		258875
ii)	Surface area in hectares		
iii)	Valuation of "taxable" and "non-taxable" properties, including the valuation date (2/1/99)		-
iv)	Valuation of residential & commercial properties (Stands)		-
v)	Valuation of industrial, agriculture & other properties		-
vi)	Total residential & commercial properties (stands)		58207
vii)	Total industrial, agriculture & other properties (stands)		
viii)	Propertytax rate: Cent in Rand (Nett)	Site Value	-
	Propertytax rate: Cent in Rand (Nett)	Improvement	-
ix)	Number of employees at local authority		93
x)	Number of Councillors		60

17. OCT. 2007 10:17 THEMBISILE MUNICIPA NO. 842 P. 29